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IN THE

Supreme Court of the United States

OCTOBER TERM, 1975

No. 75-1067

HOWMET CORPORATION, HOWMEDICA, INC., and WAYNE PHARMACAL SUPPLY CO., INC.,
Petitioners,

v.

MERCANTILE NATIONAL BANK OF CHICAGO, HAROLD I. SNYDER, SNYDER MANUFACTURING CO., INCORPORATED, ZIMMER MANUFACTURING COMPANY,
Respondents.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

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Respondents.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

Petitioners, Howmet Corporation, Howmedica, Inc., and Wayne Pharmacal Supply Co., Inc. pray that a Writ of Certiorari issue to review:

I. The November 21, 1974 Judgment and November 29, 1974 Amended Judgment of the United States District Court for the Northern District of Indiana, South Bend Division in the above-entitled case;

II. The October 16, 1975 Opinion of the United States Court of Appeals for the Seventh Circuit which affirmed said Judgment and Amended Judgment; and

III. The November 24, 1975 Order of the Court of Appeals which denied defendants' Petition For Rehearing With Suggestion For Rehearing *En Banc.*

Opinions Below

The Judgment, Amended Judgment and the Memorandum and Opinion together with the Findings of Facts and Conclusions of Law of the District Court are unreported, however they are reprinted in the Appendix at pages A10 to A53. The October 16, 1975 Opinion of the Court of Appeals is also unreported, however it is reprinted in the Appendix at pages A1 to A8. The November 24, 1975 Order of the Court of Appeals is reprinted at page A9.

Jurisdiction

The judgment of the Court of Appeals was entered on October 16, 1975. A timely Petition For Rehearing With Suggestion For Rehearing *En Banc* was denied on November 24, 1975. The jurisdiction of this Court is invoked pursuant to 28 U.S.C. § 1254(i).

Questions Presented

I. Whether the Trial Court must itself perform the mandated step-by-step analysis delineated by this Court in *Graham* v. *John Deere Co.*, 383 U.S. 1 (1966) in determining the issue of obviousness under 35 U.S.C. 103?

II. Whether, in the absence of findings by the Trial Court is sufficient to meet the mandate of *Graham*, the findings from an earlier suit on the patent, where the parties of the prior art were different, can be incorporated by reference in order to correct the error?

III. Whether compliance with the clean hands doctrine in a patent action for an injunction and an accounting can be circumvented on the theory that third party equities are insufficient in law to permit a claim of unenforceability,

in the face of persuasive evidence that the plaintiff-patentees obtained their rights to the patent by a fraud perpetuated on its rightful owner?

Statutes Involved

Title 35 U.S.C. § 103, which may require consideration in reviewing this Petition, is printed in the Appendix at page A54.

Statement of Facts

A. History of the Litigation

This action was commenced on November 21, 1969 with the filing of a Complaint in which plaintiffs sought a judgment holding valid and infringed claims 3 to 14 of United States Letters Patent No. 3,115,138 issued December 24, 1963 to Dr. Robert T. McElvenny, Harold I. Snyder and Gregory B. Sullivan (hereinafter "McElvenny *et al.* patent") and further sought damages and an injunction. Defendants by their answer and supplemental answer denied infringement and raised affirmative defenses of validity and unenforceability. Discovery was extensive and involved depositions of thirty-two witnesses in five states and also three foreign countries.

Trial was held from March 20 through March 24, 1972, the transcript of those proceedings numbered some 1826 pages. There were numerous documents and physical exhibits and extensive post-trial briefs.

On March 15, 1974 the District Court handed down a Memorandum and Opinion (A16-A37) holding for plaintiffs on the issues of validity and infringement, denying claims for attorneys fees and exemplary damages, and inviting plaintiffs to submit proposed Findings of Facts and Conclusions of Law. Plaintiffs did so on May 13, 1974 (A38-A53). The District Court adopted those findings

and conclusions without change and entered a judgment in plaintiffs' favor on November 21, 1974 (A15). A further order and an amended judgment was entered on November 29, 1974 (A11-A12) providing for an injunction and an accounting omitted from the first judgment.

Defendants appealed from the District Court's judgment and amended judgment to the United States Circuit Court for the Seventh Circuit and on October 16, 1975 that Court affirmed the District Court's judgment (A1-A8). Defendants then sought a rehearing with a suggestion for the rehearing to be held *en banc*. The Court of Appeals denied the request for rehearing in an Order dated November 24, 1975 (A9).

B. The Parties

Plaintiff Mercantile National Bank of Chicago is the executor of the estate of patentee-assignee• McElvenny, now deceased. Plaintiff Harold I. Snyder is one of the patentees. Plaintiff Snyder Manufacturing Company, Inc. is the licensee under the McElvenny *et al.* patent. Plaintiff Zimmer Manufacturing Company is the exclusive sales licensee under the patent.

Defendant Howmedica Inc. manufactures and sells medical equipment in the United States and elsewhere throughout the world. Defendant Howmet Corporation has been substituted in this action for another company of the same name and had transferred to defendant Howmedica all assets and liabilities in connection with the manufacture annd sale of the wound suction devices here in issue. Defendant Wayne Pharmacal Supply Company is a distributor of the products accused of infringement.

• Gregory Sullivan, the third inventor on the McElvenny *et al.* patent, assigned his interest in the patent to Robert E. McElvenny by an agreement executed in 1961.

C. Background

The McElvenny *et al.* patent here in suit deals with a so-called "evacuator" employed in surgery for post operative wound drainage (A16). District Judge Grant in a prior suit entitled *Mercantile National Bank et al.* v. *Quest Inc. et al.*, 303 F. Supp. 926 (N.D. Ind. 1969) held the McElvenny *et al.* patent valid and infringed. The United States Court of Appeals for the Seventh Circuit affirmed the *Quest* decision at 431 F.2d, 261 (7th Cir. 1970) and *certiorari* was denied at 401 U.S. 956 (1971) (A1).

In the trial of the present suit the defendants introduced evidence of prior art not before the Court in the *Quest* suit and in addition introduced two new issues.

The new prior art relied upon by the defendants deals with an article written by an English plastic surgeon, Dr. John Barron (A25). Dr. Barron sometime in 1955 had began to experiment with a simple wound suction pump for close wound evacuation which would be low in cost, noiseless, breakage free, reasonably dependable and most importantly, permit the patient to ambulate. The device became known as the Barron Squeeze Bottle (A45). It was translucent, deposable, simple to operate, continuously operable and cost considerably less than any other device then known. On September 10, 1959 Dr. Barron published an article (A45) describing the Barron Squeeze Bottle and its method of operation which defendants principally relied upon as being applicable prior art that a Court must consider in any mandated *Graham* analysis to determine the issue of obviousness.

The District Court (Finding No. 13, A41) found, however, that there was no device at the time the patentees made their invention for closed wound evacuation (the patent was filed July 14, 1960) which was "continuously operable, self-acting, closed wound suction device for ambulatory human use"; and went on to hold, in the Court's only comment on the issue of obviousness of McElvenny

et al. patent in view of the Barron article, that:

> "The differences between the claimed subject matter and the prior art Barron Squeeze Bottle would not have been obvious to a personal or ordinary skill in the art of medical appliances in the period of 1959-60 when the invention covered by U.S. Patent No. 3,115,138 was made." (Finding 33, A45)

The new issues introduced by defendants in the trial of this suit were: (a) whether or not the patentees had derived their invention from another (A27-A29); and (b) whether the present title holders of the patent in suit were unable to enforce their rights under the patent because they, or their privies in interest, did not come into Court with clean hands since they had obtained their rights to the patent by fraud and misconduct (A29-37).

Defendants in attempting to substantiate the defense of unenforceability due to plaintiffs' unclean hands relied on the fact that at least one of the joint inventors (Gregory Sullivan) had breached his duty to assign his interest in the patent to his employer Richey Manufacturing Corporation (hereinafter "Richey") for which he was hired to invent (A34). This breach of duty to assign was but the beginning of a series of nefarious acts, including back dating an assignment more than three months before the declared bankruptcy of Richey Manufacturing Corporation, which ultimately led to the secreting of Richey's right—to at least Sullivan's one-third interest in the McElvenny *et al.* patent from the Trustee in bankruptcy, and in fact insured his ignorance of its existence (A36-37).

Most, if not all, of the activity in conjunction with secreting the McElvenny *et al.* patent from the other assets of bankrupt Richey, and the assigning of Sullivan's one-third interest to Robert E. McElvenny, was carried out when Dr. Robert T. McElvenny was the Chairman of the Board of Richey.* Further, the other named patentee, Harold

* It is also interesting to note that almost all of the hundreds of Richey stockholders were professional colleagues of Dr. McElvenny who had invested in Richey at his behest.

I. Snyder, was President of Richey for that period of time just before the petition for bankruptcy was filed.

Reasons for Allowance of the Writ

This writ should be allowed in order to:

(1) Grant a remand so that the Trial Court may comply with the strict requirements delineated by this Court in *Graham* in the proper determination of the issue of validity;

(2) To permit this Court to rectify what defendants respectfully suggest comprises a serious departure by the United States Court of Appeals for the Seventh Circuit from the mandated standards which govern the manner of determining the issue of obviousness prescribed by this Court in *Graham;* and

(3) To remand the Seventh Circuit's Opinion in that it committed error in finding that the equitable defense of unclean hands on the part of the plaintiffs or their privies in interest which would render the patent unenforceable was unavailable, as a matter of law, to the present defendants.

A. The Trial Court Has Failed To Comply With The Strict Requirements Set Out In *Graham*

According to the mandate of this Court in *Graham* v. *John Deere & Co., supra,* the findings of fact in a determination of obviousness under 35 U.S.C. § 103 must proceed as follows:

> ". . . the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background the obviousness or non-obviousness of the subject matter is determined." 383 U.S. at 17.

This Court then went on to hold:

> "We believe that *strict* observance of the requirements laid down here will result in that uniformity and definitiveness which Congress called for in the 1952 Act." 363 U.S. at 18. (Emphasis added.)

The only finding by the Trial Court directed to the "scope and content" of the prior art is Finding 12 (A40) and it is taken almost verbatim from the prior District Court's decision in *Quest* (303 F. Supp. at 928-29). It does not even mention the Barron article nor any of the other prior art references cited by defendants in this case.

The Trial Court also failed to compare claims 3 to 14 of the McElvenny *et al.* patent (the claims in suit) to the prior art, particularly to the Barron article, and further the Court made no findings as to the differences between the prior art and the claims. The only finding as to the differences between the Barron article and the claims to determine whether or not the claims would be obvious are wholly conclusionary (Finding 33, A45). The Court then merely stated that the Barron article does "not affect . . . validity" of the claims (Finding 35, A45) and that the other cited patents do not render the claimed subject matter obvious (Finding 37, A46). At no point did the Trial Court make any finding on the specific differences between the claims and the prior art.

As to findings regarding the level of skill in the art, there simply are none. In the prior *Quest* case, plaintiffs had offered the expert testimony of three doctors and a nurse to establish the level of ordinary skill in the art (431 F.2d at 266). There was no such expert witnesses' testimony presented in this case. The only expert witness who testified for plaintiffs was a patent attorney (Finding 38, A46) who admitted he was unqualified to give opinion testimony as to this subject.

Heretofore the *Graham* analysis clearly delineated by this Court had been consistently followed in the Seventh Circuit. See *Cloud* v. *Standard Packing Corporation*, 376 F.2d 384 (7th Cir. 1967), *Gass* v. *Montgomery Ward & Co.*, 387 F.2d 129 (7th Cir. 1967), *Popiel Bros., Inc.* v. *Schick Electric Inc.*, 494 F.2d 162 (7th Cir. 1974). In fact in a recent pronouncement by that Court in *Popiel Bros., Inc.*, it set forth the mandated step-by-step analysis of *Graham* as follows:

> "In determining the obviousness or non-obviousness of a purported invention, the Trial Court *must* make a number of factual inquiries and specifically express, as did the District Court herein, its findings as to each. . . . The Court *must* determine (1) the scope and content of prior art; (2) the differences between the prior art and the claim or claims at issue; (3) the level or ordinary skill in the pertinent art; (4) the presence or absence of such secondary factors as commercial success, long felt but unsolved needs and failure of others." 494 F.2d at 167. (Emphasis added.)

Where the Trial Court has wholly failed to apply the *Graham* analytical technique, in a Circuit whose understanding and direction in requiring strict compliance with the dictates of *Graham* are so clear, the matter should be remanded for a determination of the issue of obviousness.

B. The Court Of Appeals Has Made A Serious Departure From The Analytical Standards Which This Court Has Mandated For The Determination Of The Issue Of Obviousness

The Court of Appeals' entire comment on the matter of the Trial Court's *Graham* analysis in this case is set forth in its Opinion at pages A5 to A6 in the Appendix as follows:

> "Defendants also argue that the District Court neglected to make the step-by-step prior art analysis pre-

scribed by *Graham* v. *John Deere Co.*, 338 U.S. 1, 17-18 (1966); see also *Popiel Brothers, Inc.* v. *Schick Electric, Inc.*, 494 F.2d 162 (7th Cir. 1974). Here again, it must be remembered that this is the second time the patent and the prior art have been considered by the District Court and this court. That which has been done before need not be done again, *except to the extent the earlier analysis can be demonstrated to have been based on incomplete or erroneous information.* Considering the two cases together, we think there has been substantial compliance with the requirement of the Graham case." (Emphasis added.)

Where, in either this or the prior *Quest* decision is there the mandated step of applying the claims in suit of the McElvenny *et al.* patent to the Barron article in order to determine the differences, if any, between them? It could not possibly have been done in the *Quest* case because the Barron article was not of record in that case and as discussed above it was not done in this case.

It must be borne in mind that the *Graham* analysis is a rational thought process which *must* be carried out by the Trial Court. Certain observations are necessary (e.g. the content of the art), certain judgments must be made (e.g. the difference between the claims in issue and the prior art), certain conclusions then must be reached. This process cannot somehow be split between two cases where the parties and the prior art are different. Analytical conclusions reached in *Quest* on the Dakin syringe cannot compensate for the absence of such analysis as to the Barron article in this case.

It is inconceiveable that the high degree of orderly analysis mandated by *Graham*, can possibly be achieved by this quiltwork piecing together of two separate decisions.

There is no authority for it known to defendants nor has the Court of Appeals cited any.

As discussed above, the Seventh Circuit has been consistent in requiring strict compliance with the *Graham* analytical process, in fact in *Gass* the majority of the Court there rejected Judge Knoch's attempt to shore up the deficiency of the District Court's failure to comply with *Graham*, where in his dissenting opinion he stated:

> "Reluctantly I find myself in disagreement with the majority. It seems clear to me that the District Judge did follow through the requisite analytical steps in determining that the subject matter here was a new, original and nonobvious combination, despite his omission to say so in so many words. *From a consideration of his opinion as a whole* . . . I would affirm the judgment of the District Court." 387 F.2d 132. (Emphasis added.)

Where a Court has refused to find compliance with *Graham* by viewing a single District Court's opinion "as a whole", it certainly should not be permitted to find compliance by relying on a prior decision to shore up a District Court's opinion that has completely failed to comply. This then not only runs *contra* to *Graham* but also the law as it presently exists in the Seventh Circuit.

C. Federal Courts Should Not Refuse To Hear Evidence That The Plaintiff Seeking To Enforce A Patent Misappropriated Legal Title From A Third Party

This Court in *Precision Co.* v. *Automotive Maintenance Mach. Co.*, 324 U.S. 806 (1945), laid down the basic equitable principle defining the climate from which a patent is expected to spring, as follows:

> "The far-reaching social and economic consequence of a patent, . . . give the public a paramount interest in seeing that patent monopolies *spring from backgrounds*

free fraud or other *inequitable conduct . . .*" 324 U.S. at 816. (Emphasis added.)

The equitable doctrine espoused in *Precision,* has consistently been followed to the present day, see *Pfizer, Inc.* v. *International Rectifier Corp.,* —— F. Supp. ——, 186 U.S.P.Q. 511 (D. Minn. July 16, 1975); *In re Frost,* —— F. Supp. ——, 185 U.S.P.Q. 729 (D. Del. April 11, 1975); *Monsanto* v. *Rohm & Hass Company,* 456 F.2d 592 (3rd Cir. 1972), *cert. den.,* 407 U.S. 934 (1972); *Seismograph Service Corp.* v. *Offshore Raydis,* 135 F. Supp. 342 (E.D. La. 1955), *aff'd,* 263 F.2d 5, (5th Cir. 1959); and *Norton* v. *Curtis,* 433 F.2d 779 (CCPA 1970).

The Court in *Seismograph* emphasizes the breadth of the standard the Federal Courts are now seeking to establish to measure the integrity expected to be exercised by someone seeking the powers a patent has to offer, where it stated:

> "The robber baron morality of another day is no longer acceptable. Courts are insisting on increasingly higher standards of commercial integrity. [cases cited]. It has been long recognized that any patent obtained through fraud and dishonest dealings is unenforceable in a court of equity. [cases and authorities cited, including Pomeroy's Equity Jurisprudence, 5th Ed., §§ 385, 397, 401 and 402a]" 135 F. Supp. at 354.

It would seem that with the merging of the activities and jurisdiction of many of the Chancery Courts with Courts of Law many Judges have lost sight of the fact that in their dealings with matters before them they are not paralyzed by precedent to the extent that they cannot exercise their equitable powers when faced with a unique or unusual situation. The Seventh Circuit had no difficulty in recognizing this fact in *Diversey Corporation* v. *Charles Pfizer and Co.,* 255 F.2d 60 (7th Cir.), *cert. den.,* 358 U.S. 876 (1958), where in affirming the District Court's dismissal of

a plaintiff's complaint in a patent infringement suit the Court stated:

> "A court of equity will not entertain the suit of one who by deceit or any unfair means has gained an advantage as plaintiff has here. To aid this plaintiff would make the court an abettor of inequity. Bein v. Heath, 1848, 6 How. 228, 47 U.S. 228, 247 [Reprint 241, 261] 12 L.Ed. 416; Precision Instrument Mfg. Co. v. Automative Maintenance Machinery Co., 1945, 324 U.S. 806, 814-815, 65 S.Ct. 993, 89 L.Ed. 1381.
>
> It is obvious from this record that the conduct of Diversey was willful and morally reprehensible. The District Court was justified in finding, as it did, that Diversey was guilty of unclean hands and in dismissing the complaint for that reason." 255 F.2d at 62.

The Court of Appeals in reviewing defendants' defense of unenforceability held the defense was "insufficient as a matter of law" (A6) and went on to state:

> "It has long been settled that a third party's equitable rights in a patent may not be asserted as a defense in an action for infringement brought by the owner of [present legal] title to the patent." Appendix page A6.

The Court then, in a footnote, analogized this rule to an action to quiet title or for trespass to land as though one could equate private realty questions to the public interest in fair enforcement of patent rights.

Under the circumstances of this case it would be unconscionable for this Court to continue to lend aid to such reprehensible inequities by allowing the plaintiffs to continue to enforce this patent, when the genesis of the McElvenny *et al.* patent is crowded with gross misconduct and where the proponents or their privies possess such unclean hands. This is especially true here because the inequity which forms the basis of defendants' claim of unenforceability is wholly purgeable. Plaintiffs are presently

engaged in suit with both the trustee in bankruptcy and the former stockholders of Richey concerning the misconduct which forms the basis for defendants' assertion of unclean hands.

Defendants cannot conceive of a more fitting set of circumstances for the invocation of the age old equity maxim that "he who comes into Court seeking equity [injunction and accounting] must come into Court with clean hands." This is certainly true where the parties seeking equity are patentees or their privies, persons this Court has consistently held to a very high level of moral conduct because of their adverse relationship to the public interest.

In view of the above this Court should remand this case to the Court of Appeals with direction to review the issue of unenforceability of the McElvenny *et al.* patent.

CONCLUSION

For the reasons presented, this Petition for a Writ of Certiorari should be granted.

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Opinion of the Court of Appeals.

IN THE

UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT

No. 75-1081
MERCANTILE NATIONAL BANK OF CHICAGO, HAROLD I. SNYDER, SNYDER MANUFACTURING CO., INCORPORATED, ZIMMER MANUFACTURING COMPANY,

Plaintiffs-Appellees,

v.

HOWMET CORPORATION, HOWMEDICA, INC., and WAYNE PHARMACAL SUPPLY CO., INC.,

Defendants-Appellants.

On Appeal from the United States District Court,
for the Northern District of Indiana,
South Bend Division—No. 69 S 194
JESSE E. ESCHBACH, *Judge.*

ARGUED SEPTEMBER 15, 1975 — DECIDED OCTOBER 16, 1975

Before CASTLE, *Senior Circuit Judge,* and SWYGERT and TONE, *Circuit Judges.*

TONE, *Circuit Judge.* We are asked in this appeal to reexamine the issue of the validity of the patent held valid by this court five years ago in *Mercantile National Bank of Chicago* v. *Quest, Inc.,* 431 F.2d 261 (7th Cir. 1970), *cert. denied,* 401 U.S. 956 (1971). The District Court decided this issue, as well as issues of infringement, inventorship, and enforceability, in favor of the patent owner. We affirm.

The patent, which covers a portable device for providing continuous-suction evacuation of a closed surgical wound through a needle and tube connected to a spring-loaded plastic chamber, is adequately described in our earlier opinion. With the exception noted below, the same may be said of the prior art against which its obviousness must be judged.

A litigant who attacks the validity of a patent before a court that has held the patent valid in a prior case has the burden of persuading the court that there is a "material distinction" between that case and the case at bar. See *American Photocopy Equipment Co.* v. *Rovico, Inc.*, 384 F.2d 813, 815-816 (7th Cir. 1967), *cert. denied*, 390 U.S. 945 (1968). For reasons of stability in the law and judicial economy, we ordinarily will not reexamine *de novo* the decision of the court in the prior case but rather will limit ourselves to a consideration of whether, assuming the correctness of the earlier decision, additional facts not before the court in the prior case require a different result. This is but an application of the doctrine of *stare decisis*.

In the case at bar, defendants argue that the material distinction between the facts relating to validity in this and the earlier *Quest* decision, *supra*, is that a relevant portion of the prior art, namely, the Barron bottle, was not before the court in that case. The Barron bottle was disclosed in an article by Dr. J. N. Barron in the July 1959 issue of the *British Journal of Plastic Surgery* and was therefore a part of the prior art, if, as we assume for present purposes, the determinative date of the invention of the patent was the date of the application, July 14, 1960. The device described by Barron used a cylindrical plastic bottle as the chamber in which the negative pressure is created and maintained. After being squeezed, or compressed, the bottle slowly returned to its original

shape and, as it did so, developed a negative pressure which caused fluid in the wound to be drawn through a connecting tube into the bottle. Defendants argue that this device renders obvious the device disclosed in the patent, which uses a chamber resembling a concertina, with spring-loaded end pieces and bellows-type sidewalls, to develop the negative pressure and receive the fluid from the wound.

While the Barron bottle was not a part of the prior art shown in the earlier case, that art did include a device known as the Dakin syringe. Though somewhat different in shape, the Dakin syringe is nonetheless very similar to the Barron bottle in operation and principle. Defendants' counsel, in fact, conceded this at oral argument but argued that the prior art references before the court in the earlier case did not disclose the use of the Dakin syringe for continuous wound evacuation, while the Barron article showed the use of the Barron bottle for this purpose.

The issue is thus narrowed to whether the record in *Quest* discloses that the Dakin syringe could be used for continuous wound evacuation.[1] Clearly it does. As this court there observed, after describing the surgical technique of post-operative wound evacuation by negative pressure,

> "This surgical technique is now commonly used by surgeons; however, the method of providing the suction or negative pressure has varied. Compressed bulb syringes may in some cases be satisfactory but are not generally used." 431 F.2d at 264.

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[1] Whether it was actually so used is, as defendants concede, immaterial, since mere publication of information rendering the subject matter of the patent obvious would cause the patent to be invalid. See 1 Walker, *Patents*, § 60 (2d ed. 1964).

The court also referred to an article contained in the prior art exhibits:

> "Defendant further relies on the Maloney article, defendants' exhibit as prior art. The article describes 'Apposition and Drainage of Large Skin Flaps by Suction,' and is a further development of this technique. However, the suction pressure recommended by Maloney is 'either a bottle with a negative underwater seal or an electric or water pump' or 'the use of a syringe of the Dakin variety • • •.'" *Id.* at 265.

The article itself, which appeared in *The Australian and New Zealand Journal of Surgery,* describes the technique of continuous wound evacuation by suction and various devices that can be used for that purpose and states as follows:

> "Another method of obtaining a negative pressure is by the use of a syringe of the Dakin variety which is attached to the drainage tube after the rubber bulb has been compressed. It gives a means of suction which is readily portable for ambulant patients."

Defendants argue that the Dakin syringe appeared from the record in the *Quest* case to be less satisfactory than the Barron bottle appears from this record to have been, and that the belief that the syringe was not satisfactory was the basis for the court's finding of invention in the *Quest* case. It is true that the court found the results of the methods of obtaining negative pressure shown in the prior art not to be "as advantageous as the results obtained from the patent at issue." 431 F.2d at 265. But neither has it been shown in the case at bar that the Barron bottle achieved results as advantageous as those obtained from the patent. Moreover, in the *Quest* case the court acknowledged that "[c]ompressed bulb syringes may in some cases be satisfctory but are not generally

used." 431 F.2d at 264. Defendants have not given us reason to believe otherwise with respect to the Barron bottle, nor have they actually demonstrated that the Dakin syringe was any less satisfactory than the Barron bottle, or that the Barron bottle was ever in general use. At most, the record shows that Barron bottles or similar devices were used by some surgeons who now appear to have abandoned them. The evidence falls far short of demonstrating surgical use of the Barron bottle so successful as to undercut the court's conclusion in *Quest* on the patent's improvement over the prior art.

Since the only prior art claimed to be significant which was not before the court in the earlier case is the Barron bottle, and yet the use of the very similar Dakin syringe for continuous wound evacuation was a part of the prior art before the court in that case, defendants have failed to make the necessary showing of a material distinction between the facts relating to obviousness in the two cases. We therefore adhere to the holding of *Quest* that the subject of the patent was not obvious. In view of this, it is unnecessary to consider whether the agreed date of conception, which antedated the Barron article, is controlling, and the issue whether after conception the inventors used reasonable diligence in reducing their invention to practice thus becomes academic.

Defendants also argue that the District Court neglected to make the step-by-step prior art analysis prescribed by *Graham* v. *John Deere Co.,* 383 U.S. 1, 17-18 (1966); see also *Popiel Brothers, Inc.* v. *Schick Electric, Inc.,* 494 F.2d 162 (7th Cir. 1974). Here again it must be remembered that this is the second time the patent and the prior art have been considered by the District Court and this court. That which has been done before need not be done again, except to the extent the earlier analysis can be demonstrated to have been based on incomplete or erroneous information. Considering the two cases together,

we think there has been substantial compliance with the requirements of the *Graham* case.

We turn now to the other defense that merits discussion here, *viz.*, that the patent is unenforceable because one of the joint inventors breached an equitable duty to assign his interest in the patent to a third party. Unfortunately considerable time and expense appear to have been devoted to discovery and trial on the fact questions relating to this defense. All this was unnecessary in our view, because the defense was insufficient in law. It has long been settled that a third party's equitable rights in a patent may not be asserted as a defense in an action for infringement brought by the owner of title to the patent. *McMichael & Wildman Mfg. Co.* v. *Ruth*, 128 F. 706, 707 (3d Cir. 1904); *Yablick* v. *Protecto Safety Appliance Corp.*, 21 F.2d 885, 889 (3d Cir. 1927); *Dubilier Condenser Corp.* v. *Radio Corp. of America*, 34 F.2d 450, 463-464 (D. Del. 1929), *rev'd on other grounds*, 59 F.2d 305, 59 F.2d 309 (3d Cir. 1932), *cert. denied*, 287 U.S. 648 (1932); *Berghane* v. *Radio Corp. of America*, 6 F.R.D. 561, 563 (D. Del. 1947).[2] We think the rule of these cases is not affected by the doctrine of *Precision Instrument Mfg. Co.* v. *Automatic Maintenance Machinery Co.*, 324 U.S. 806 (1945), which recognizes the right to assert fraud in the procurement of the patent as an unclean hands defense. Fraud in the procurement of the patent bears not merely on the ownership of the patent but on its

[2] An analogous rule is stated in *United States* v. *Oregon*, 295 U.S. 1, 24 (1935):

> "A bill to quiet title may not be defeated by showing that the plaintiff's interest, otherwise sufficient to support the bill, is subject to possibly superior rights in third persons not parties to the suit."

The rule is the same with respect to trespass to land. See, *e.g.*, *Duck Island Hunting & Fishing Club* v. *Whitnah*, 306 Ill. 284, 291, 137 N.E. 840, 843 (1923).

substance and validity, and, moreover, offends the public's "paramount interest in seeing that patent monopolies spring from backgrounds free from fraud or other inequitable conduct and that such monopolies are kept within their legitimate scope." 324 U.S. at 816. No similar considerations support an attempt to assert that a third party has an ownership interest in the patent.

The remaining questions raised on appeal, infringement and inventorship,[3] are not of sufficient general interest or importance to justify treating them in a published opinion, under the standards stated in Circuit Rule 28. They are adequately disposed of by the findings and conclusions relating to them contained in the memorandum opinion of the District Court, which we adopt.

Plaintiffs have not cross-appealed from the District Court's denial of damages or attorneys' fees. Their motion in this court for an allowance of attorneys' fees on appeal is denied, but they will recover their costs.

Judgment of the District Court is affirmed.

AFFIRMED.

A true Copy:

Teste:

.....

Clerk of the United States Court of Appeals for the Seventh Circuit

[3] On the issue of inventorship, defendants ask us to undertake an independent analysis of the facts, since the findings below were based largely upon documentary evidence rather than oral testimony. While the "clearly erroneous" standard of review of Fed. R. Civ. P. 52(a) is less inhibiting when documentary rather than demeanor evidence is the basis for the District Court's findings (see Wright & Miller, *Federal Practice and Procedure*, § 2587 (1971)), those findings are nevertheless entitled to deference, and we are unable to say that we have come to a definite and firm conviction that an error has been committed in the findings on inventorship.

Order of Affirmance of Court of Appeals.

Opinion by Judge Tone

UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT
Chicago, Illinois 60604

October 16, 1975

Before

Hon. LATHAM CASTLE, Senior Circuit Judge

Hon. LUTHER M. SWYGERT, Circuit Judge

Hon. PHILIP W. TONE, Circuit Judge

Appeal from the United States District Court
for the Northern District of Indiana
South Bend Division
No. 69 S 194
Eschbach, Judge.

MERCANTILE NATIONAL BANK OF CHICAGO, et al.,
Plaintiffs-Appellees,

No. 75–1081

vs.

HOWMET CORPORATION, et al.,
Defendants-Appellants.

This cause came on to be heard on the transcript of the record from the United States District Court for the Northern District of Indiana, South Bend Division, and was argued by counsel.

On consideration whereof, it is ordered and adjudged by this court that the judgment of the said District Court in this cause appealed from be, and the same is hereby, AFFIRMED, with costs, in accordance with the opinion of this Court filed this date.

Order of Court of Appeals Denying Petition for Rehearing.

UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT
Chicago, Illinois 60604

November 24, 19....

Before

Hon. LATHAM CASTLE, Sr. Circuit Judge

Hon. LUTHER M. SWYGERT, Circuit Judge

Hon. PHILIP W. TONE, Circuit Judge

Appeal from the United States District Court
for the Northern District of Indiana,
South Bend Division.

(69 S 194)

MERCANTILE NATIONAL BANK OF CHICAGO, et al.,
Plaintiffs-Appellees,

No. 75–1081

vs.

HOWMET CORPORATION, et al.,
Defendants-Appellants.

On consideration of the petition for rehearing and suggestion that it be reheard *en banc* filed in the above-entitled cause, no judge in active service having requested a vote thereon, nor any judge having voted to grant the suggestion, and all of the members of the panel having voted to deny a rehearing,

IT IS ORDERED that the petition for a rehearing in the above-entitled cause be, and the same is hereby, DENIED.

Order of the District Court on Amending Judgment.

UNITED STATES DISTRICT COURT
FOR THE
NORTHERN DISTRICT OF INDIANA
SOUTH BEND DIVISION

CIVIL No. 69 S 194

MERCANTILE NATIONAL BANK OF CHICAGO, HAROLD I. SNYDER, SNYDER MANUFACTURING COMPANY, INC., ZIMMER MANUFACTURING COMPANY,

Plaintiffs,

v.

HOWMET CORPORATION, HOWMEDICA, INC., and WAYNE PHARMACAL SUPPLY COMPANY, INC.,

Defendants.

ORDER

Pursuant to FED. R. CIV. P., it is ORDERED that Judgment on Decision by the Court entered by the Clerk of this Court on November 21, 1974, be amended to include the details of the Proposed Judgment Order filed May 13, 1974, which were inadvertently omitted in said Judgment of November 21, 1974.

ROBERT A. GRANT
United States District Judge

Enter: November 29, 1974.

Amended Judgment.

JUDGMENT ON DECISION BY THE COURT CIV 32 (7-63)

UNITED STATES DISTRICT COURT

FOR THE

NORTHERN DISTRICT OF INDIANA

Civil Action File No. 69 S 194

MERCANTILE NATIONAL BANK OF CHICAGO, HAROLD I. SNYDER, SNYDER MANUFACTURING COMPANY, INC., and ZIMMER MANUFACTURING COMPANY

v.

HOWMET CORPORATION, HOWMEDICA, INC., and WAYNE PHARMACAL SUPPLY COMPANY.

This action came on for trial (hearing) before the Court, Honorable Robert A. Grant, United States District Judge, presiding, and the issues having been duly tried (heard) and a decision having been duly rendered.

It is Ordered and Adjudged that pursuant to this Court's Order entered November 29, 1974, judgment entered November 21, 1974, is amended to include the following:

Ten days after entry of this amended judgment a Writ of Perpetual Injunction shall issue out of and under the seal of this Court. An accounting shall be made and rendered as to the extent of the manufacture and sale of infringing devices by the Defendants, and as to the amount of damages suffered by the Plaintiffs by reason of the Defendants' infringement of Claims 3 through 14 of U.S. Letter's Patent No. 3,115,138.

Amended Judgment.

Defendants and their officers, directors, attorneys, servants, agents, workmen and employees are hereby directed and required to attend before this Court, or a Special Master appointed by the Court, from time to time as required and to produce such relevant devices, objects, books, documents, and papers as requested and to submit to examination, oral or otherwise.

The Plaintiffs shall recover their damages, together with interest, and costs, as determined by the Court with respect to the issues raised by the Defendants' challenge to the validity of Claims 3 through 14 of U.S. Letters Patent No. 3,115,138, and by the Defendants' infringement of said claims.

Dated at South Bend, Indiana this 29th day November, 1974.

FRANCIS T. GRANDYS
Clerk of Court

Order Adopting Proposed Findings.

IN THE UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF INDIANA

SOUTH BEND DIVISION

Civil Action No. 69 S 194

MERCANTILE NATIONAL BANK OF CHICAGO, HAROLD I. SNYDER, SNYDER MANUFACTURING COMPANY, INC., ZIMMER MANUFACTURING COMPANY,

Plaintiffs,

v.

HOWMET CORPORATION, HOWMEDICA, INC., and WAYNE PHARMACAL SUPPLY COMPANY, INC.,

Defendants.

ORDER

Upon consideration of the Proposed Findings of Fact and Conclusions of Law as heretofore submitted on 13 May 1974, and finding that they do, in fact, conform in all respects to this court's Memorandum and Opinion theretofore filed herein; and having afforded defendants ample time and opportunity to be heard by filing any objections to said Proposed Findings; and having carefully examined said Proposed Findings and finding that they do, in fact, accurately reflect the basic issues in this case; and inasmuch as the case itself deals with a scientific or technical matter involving very technical evidence, it is, therefore, now

Order Adopting Proposed Findings.

ORDERED that the court does hereby approve and adopt as its own the Findings of Fact and Conclusions of Law heretofore filed herein on 13 May 1974.

IT IS FURTHER ORDERED that the Clerk of this court is hereby directed to enter judgment in accordance with the Proposed Judgment Order filed herein on 13 May 1974.

ROBERT A. GRANT
District Judge

ENTER: November 21, 1974

Judgment of the District Court.

UNITED STATES DISTRICT COURT

FOR THE

NORTHERN DISTRICT OF INDIANA

SOUTH BEND DIVISION

CIVIL ACTION FILE NO. 69S194

JUDGMENT

MERCANTILE NATIONAL BANK OF CHICAGO, HAROLD I. SNYDER, SNYDER MANUFACTURING COMPANY, INC., and ZIMMER MANUFACTURING COMPANY,

vs.

HOWMET CORPORATION, HOWMEDICA, INC., and WAYNE PHARMACAL SUPPLY COMPANY, INC.

This action came on for trial before the Court, Honorable Robert A. Grant, United States District Judge, presiding, and the issues having been duly tried and a decision having been duly rendered,

It is Ordered and Adjudged that the Plaintiffs have and recover of and from the Defendants pursuant to the Proposed Judgment Order filed on May 13, 1974.

Dated at South Bend, Indiana, this 21st day of November, 1974.

FRANCIS T. GRANDYS
Clerk of Court

Memorandum and Opinion of the District Court.

IN THE UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF INDIANA

SOUTH BEND DIVISION

CIVIL No. 69 S 194

MERCANTILE NATIONAL BANK OF CHICAGO, HAROLD I. SNYDER, SNYDER MANUFACTURING COMPANY, INC., and ZIMMER MANUFACTURING COMPANY,

Plaintiffs,

v.

HOWMET CORPORATION, HOWMEDICA, INC., and WAYNE PHARMACAL SUPPLY COMPANY, INC.,

Defendants.

MEMORANDUM and OPINION

This is an action for damages and injunction for infringement of a patent for an "evacuator", a pump used in surgery to remove fluid from the human body. Plaintiffs, as patentees and licensees under United States Letters Patent No. 3,115,138, bring this action against the defendants Howmet Corporation, Howmedica, Inc., and Wayne Pharmacal Supply Company, Inc. Plaintiffs allege that the defendants' infringement was willful and deliberate, and therefore seek treble damages. The defendants in their answer denied the charge of infringement, denied that the patent was duly and legally issued or that it concerned an invention, and alleged that the plaintiffs' patent is invalid and void.

Memorandum and Opinion of the District Court.

The patent here in suit was issued to plaintiffs on 24 December 1963. It covered a device labeled "Evacuator", an "invention" relating "particularly to surgical evacuators for the removal of fluid from the human body and the like." This device of plaintiffs, the Hemovac, as well as defendants' device, the Porto-Vac (and the earlier Auste-Vac model), are self-contained, independently operable evacuators designed for the extraction of body fluids while the patients who use them are ambulatory.

The defendants admit the jurisdiction of this Court; that defendants Howmet Corporation and Wayne Pharmacal have sold a product known as Porto-Vac within the Northern District of Indiana; that defendants at one time sold a product designated Auste-Vac in the United States; and that Howmet Corporation did engage in certain foreign sales of a surgical evacuator (Surgivac) manufactured by plaintiff Snyder Manufacturing Company. Thus, these questions are not in issue here. However, defendants do raise issues with respect to the equitable ownership, inventorship, validity, and enforcability of the patent.

A trial having been conducted and the issues having been briefed by counsel, this Court, after a careful study of all the issues involved, finds Patent No. 3,115,138 to be valid and infringed by the defendants.

FACTS:

Post-operative bleeding is one of the chief complications which faces the plastic surgeon. Many forms of pressure dressing have been devised in order to prevent fluid from collecting in wounds. In the past, the evacuation of fluids from a closed wound after surgery had been accomplished by: (1) gravity drainage, (2) pressure dressings or compression bandages, and (3) suction or negative pressure. However, the first two methods, namely, gravity drainage and compression bandages, involved certain inherent dis-

advantages. On the other hand, negative pressure drainage has offered several advantages. Most notably, it facilitates the evacuation of fluids from all types of wounds and encourages the healing or knitting of tissues.

Before plaintiffs' device arrived on the market, continuous wound suction was accomplished by power-driven pumps, central suction systems, and the evacuated bottle. These systems also had many disadvantages. In addition to cost and undependability, the major disadvantage of vacuum pumps and suction systems was that the post-operative activity of the patient was severely restricted; and, also, this delayed the patient's recuperation.

The evacuated bottle permitted greater human activity inasmuch as the patient could carry the device around with him.

In 1959 Dr. Robert T. McElvenny and his partners, Mr. Gregory Sullivan and Mr. Harold Snyder, set out to devise a better apparatus for continuous wound suction. In particular, their goal was to develop a device which would be self-actuating, which could be carried on the person of the patient, and which could be constructed at a relatively low cost. Dr. McElvenny discussed the subject of closed wound suction on several occasions with a Swiss orthopedic surgeon named Maurice Mueller. The first meeting between the two occurred in May of 1959 in Chicago. Also, in September of that same year, Dr. McElvenny and Gregory Sullivan visited Dr. Mueller in Switzerland. Again, in September of 1960, Doctors McElvenny and Mueller met at the SICOT meeting, a surgeon's convention in New York.

After conducting numerous experiments using plastic bottles, McElvenny and his associates incorporated a spring into their device to accomplish continuous wound suction. This device evolved into, and such experimentation culminated in, the patented Hemovac.

Beginning in August of 1962, the defendant Howmet Corporation, through its predecessor Austenal, became the foreign distributor for the Hemovac (designated for foreign sales as the Surgivac). In January of 1963, Austenal began to consider the prospect of developing its own wound suction pump, which was to rely on the resiliency of the walls of the container for its spring effect rather than on a spring assembly itself. This decision of Austenal to develop its own unit was not communicated to Snyder or McElvenny. In fact, it is admitted that while Austenal had been distributing Surgivac in Europe, it received advertising material and marketing information from Snyder. Also, Austenal knew that the McElvenny, et al., patent application was pending when it was engaged in the development of its unit.

On 24 December 1963 the McElvenny, et al., Patent No. 3,115,138 here in suit was issued by the United States Patent Office. When this occurred, Austenal sought the advice of its patent counsel as to whether the McElvenny patent was valid and infringed by the Auste-Vac product then under development. Upon counsel's opinion to Austenal that its product would not constitute an infringement upon the McElvenny patent, Austenal continued its work on Auste-Vac (the equivalent of the porto-Vac) until it appeared on the market for the first time in 1965.

Plaintiffs formally notified defendants of infringement, and on 21 November 1969 filed this action alleging infringement of their patent by the present defendants.

INFRINGEMENT ISSUE:

Plaintiffs allege that Claims 3 through 14 of their patent are infringed by the defendants' accused device. First of all, plaintiffs charge that claims 4, 5, and 7 through 14 are directly infringed by defendants' device. Secondly, plaintiffs contend that Claims 3 and 6 of their patent are in-

fringed by defendants' device under the "doctrine of equivalents".

Claims 4, 5, and 7 through 14:

The thrust of plaintiffs' argument as to these claims is that defendants' Porto-Vac infringes their patent because the Porto-Vac is identical with the Bel-O-Pac, and the Bel-O-Pac was held by this Court to infringe plaintiffs' patent in *Mercantile National Bank of Chicago* v. *Quest, Inc.*, 303 F.Supp. 926 (N.D.Ind. 1969); aff'd 431 F.2d 261 (7th Cir. 1970). Plaintiffs maintain that their patent claims read verbatim upon defendants' structure and that the similarities between plaintiffs' Hemovac and defendants' Porto-Vac are not accidental, but rather are a result of defendants' plan to copy their device. In rebuttal, defendants contend that their Porto-Vac design stands closer to that of the Barron Squeeze Bottle, a prior art structure, than it does to Hemovac.

The first step that the Court must take in evaluating plaintiffs' allegations of direct infringement is to resort to the words of the claim. As stated in *Graver Mfg. Co.* v. *Linde Co.*, 339 U.S. 605, 607 (1950), "If accused matter falls clearly within the claim, infringement is made out and that is the end of it".

On the basis of the evidence, this Court is of the opinion that Claims 4, 5, and 7 through 14 of plaintiffs' patent do, in fact, read directly upon defendants' Porto-Vac. In support of this opinion, and pursuant to the test of *Graver, supra,* the Court refers to the particular patent claims involved and their application to defendants' structure: Claim 4 of plaintiffs' patent, in pertinent part, states that the patent involves a "self-contained, independently operable, evacuator for the extraction of body fluids, for ambulatory human use . . . comprising in combination, a container formed of flexible material . . . having a pair of oppositely facing end walls and a connecting side wall

. . . for movement of the end walls . . . toward each other . . . said container being resiliently compressible . . . and . . . expansible". An examination of defendants' structure reveals that it is identical in its purpose and structure. Claim 5 of plaintiffs' patent calls for the use of "flexible tubing" which has "a multiplicity of juxtaposed openings for insertion into [a] body wound". Defendants' accused structure employs the exact same use of such flexible tubing. Patent Claim 7 calls for a "strap fastening means" by which the container is to be secured to the human body for purposes of ambulation. Defendants' device employs a similar fastening mechanism also for the purpose of facilitating the ambulation of the patient. As to Claim 8 of plaintiffs' patent, it calls for a "closure means" for the exhaust opening on the container. Likewise, defendants' Porto-Vac is equipped with a similar device. Patent Claims 9 through 14, respectively, employ the use of a valve plug and strap, a needle sharpened at one end for the purpose of entering the body, and a conduit of flexible tubing with a Y-shaped connector for the accommodation of different size tubing and for the interfitting of single and multiple tubing "reaches". The Court finds that defendants' Porto-Vac is a mirror structure of these claims as well.

With the above observations in mind, the Court finds merit in plaintiffs' argument that defendants' Porto-Vac in the present case is identical in means, operation, and structure with the infringing Bel-O-Pac in the *Quest* case, *supra,* and with the patented Hemovac. Therefore, we find that Claims 4, 5, and 7 through 14 of plaintiffs' patent are directly infringed by defendants' accused structure, the Porto-Vac.

Claims 3 and 6:

As to Claims 3 and 6, plaintiffs support their charge of infringement by invoking the "doctrine of equivalents".

This doctrine says, in effect, that if two devices do the same work in substantially the same way, and accomplish the same result, they are the same, even though they differ in name, form, or shape. *Graver, supra,* 339 U.S. at 608. This means that a patent is infringed only if there is substantial identity between the accused device and the patented invention as to means, operation, and result. *Harrington Manufacturing Co., Inc.* v. *White,* 475 F.2d 788, 796 (5th Cir. 1973). The Seventh Circuit Court of Appeals has accepted this principle in *Hunt* v. *Armour & Co.,* 185 F.2d 722, 728 (7th Cir. 1950), where the Court said:

> It is well established that the test of infringement [under the doctrine of equivalents] is whether the accused device does the same work in substantially the same way and accomplishes the same result. See also *Quest, supra,* 303 F.Supp. at 931.

Claims 3 and 6 of plaintiffs' patent call for a "plurality of springs", the compression of which creates a negative pressure in the container for the purpose of drawing fluids out of the body and the release of which allows for the expansion of the container to its original size and shape. Plaintiffs argue that a spring is anything which recovers its original shape. Defendants, however, counter this by maintaining that it is the lack of springs in its device which, in fact, distinguishes their structure from plaintiffs' Hemovac. They argue that since their device does not rely on separate springs as the Hemovac does, but rather on the resiliency of the container wall instead, their structure cannot infringe any of plaintiffs' patent claims.

The resolution of this question under the doctrine of equivalents depends on whether or not the operation of defendants' Porto-Vac is substantially equivalent to the

operation of plaintiffs' Hemovac despite the fact that one device, the Hemovac, employs springs to return the container to its original shape after it is compressed, and the other device, the Porto-Vac, does not. Stated another way, does the lack of springs in the Porto-Vac distinguish it sufficiently from the spring-operated Hemovac to circumvent the doctrine of equivalents?

This Court is of the opinion that the operation of the accused Porto-Vac is exactly the same as the operation of the Hemovac even though the Porto-Vac does not rely on separate springs and that therefore the doctrine of equivalents applies. Both the Hemovac and the Porto-Vac involve an identical function and purpose, i.e., the removal of body fluids from a closed wound after surgery. They both do this work in substantially the same way and accomplish substantially the same result. It is inconsequential, in the Court's view, that one device employs springs and the other does not when, as here, the same result is accomplished in substantially the same way. It is the "spring effect" in both devices which accomplishes wound suction, and that is the important factor. Therefore, the Court holds the Claims 3 and 6 of plaintiffs' patent, under the present facts and circumstances, are indeed infringed by defendants' Porto-Vac.

Willful and Wanton:

Plaintiffs allege that defendants' infringement of their patent was willful and deliberate, and that they are therefore entitled to multiple damages pursuant to 35 U.S.C. § 284. In support of this argument, plaintiffs cite defendants' failure to inform plaintiffs of defendants' decision to develop their own device while defendant was still the foreign distributor of plaintiffs' product. Further, plaintiffs argue that defendants' conduct in this regard should, in any event, have ceased after defendants became aware

of the Court's decision in *Quest, supra.* The evidence shows, however, that the defendants, before marketing their structure, sought the advice of patent counsel as to the possibility of their device infringing upon plaintiffs' device. It was the opinion of defendants' counsel that the claims of plaintiffs' patent would not be infringed by any wound suction pump that relied upon the resiliency of its side walls for a spring effect rather than upon separate internal springs. In view of this opinion of counsel, defendants continued their developmental work on Auste-Vac until it appeared on the market in 1965. In light of this fact, it appears to the Court that the defendants had a bona fide and reasonable belief that their structure would not infringe plaintiffs' patent. Therefore, this Court finds that plaintiffs have not met the burden of showing that defendants' conduct was willful and wanton which is required for the recovery of multiple damages. *Anderson Company* v. *Sears, Roebuck and Co.,* 265 F.2d 755, 763 (7th Cir. 1959); *Artmoor Co.* v. *Dayless Mfg. Co.,* 208 F.2d 1, 5 (7th Cir. 1953); *Quest, supra,* 303 F.Supp. at 931.

VALIDITY ISSUE:

In their answer and supplemental answer, defendants have denied infringement and have raised affirmative defenses of the invalidity and unenforceability of plaintiffs' patent. In particular, defendants make the following allegations: (1) that plaintiffs' patent is invalid because of prior art, anticipation, and for obviousness; (2) that the inventors did not themselves invent the subject matter patented; and (3) that the patent is unenforceable because of plaintiffs' fraud and unclean hands in procuring it.

Initially, the Court notes that it is a well settled principle that the granting of a patent by the United States Patent Office carries with it a strong presumption that the patent so issued is valid. 35 U.S.C. § 282; *General Foods*

Corporation v. *Perk Foods Co.,* 419 F.2d 944, 947 (7th Cir. 1969). It is also free from dispute that a party who alleges the invalidity of a patent or of certain claims within the patent has a "heavy burden" of establishing such invalidity by "clear and convincing" evidence. *King-Seeley Thermos Co.* v. *Tastee Freez Industries, Inc.,* 357 F.2d 875, 879 (7th Cir. 1966). The defendants have proffered several arguments which they maintain satisfy their burden on the issues of invalidity and unenforceability.

Prior Art, Anticipation, and Obviousness:

The first argument that defendants propound is that plaintiffs' patent is invalid because the basic concept of the Hemovac was anticipated and obvious with reference to the prior art. In particular, defendants refer to the Barron Squeeze Bottle and the Barron Article of 10 September 1959. It is contended by defendants that plaintiffs' patent reads directly on the Barron Article as does the basic concept of the invention; that plaintiffs' device is the same as the Barron Bottle; and that plaintiffs' device was fully anticipated by Dr. John Barron, an English plastic surgeon. Further, defendants maintain that plaintiffs must demonstrate that they worked on the development of their patented device with a diligence from the date of the Barron Article to the eventual first date of construction and use.

The Court has carefully and attentively examined the testimony relating to the Barron Bottle and its relevance, if any, to the Hemovac and concludes that there is no reasonable interpretation of the two structures which would make the Barron Bottle an anticipation of plaintiffs' device. In this regard, the Court takes particular note of the fact that plaintiffs in their experimentation phase rejected the use of plastic bottles which had many of the same physical, operative, and structural characteristics as

the Barron Squeeze Bottle. As a matter of fact, the Court is inclined to see the Hemovac as a definite improvement upon the prior art. See *Quest, supra,* 303 F.Supp. at 932. Therefore, the Court finds that defendants' argument of anticipation under 35 U.S.C. § 102(a) is without merit in light of the present facts and circumstances.

Moreover, taking into account the many significant differences between the Barron Bottle and the patented Hemovac, we find that the patent is not invalid under 35 U.S.C. § 103 for obviousness. This Court perceives that the patented subject matter as a whole would not be obvious at the time of invention to a person having ordinary skill in the art to which the subject matter pertains. Another permissible consideration which the Court deems worthy of merit in regard to the claim of obviousness is the fact that plaintiffs' Hemovac has made great strides in the furtherance of medical science to the general benefit of mankind. See generally *Graham* v. *John Deere Co.,* 383 U.S. 1, 17-18 (1966).

Finally, as to the Barron Article, the medical literature upon which defendants rely as being prior art, the Court notes that the technique, method, or procedure of closed wound suction had been known to the medical profession for years. *Quest, supra,* 303 F.Supp. at 932. As stated in that opinion, however, at page 933:

> This fact . . . does not affect the validity of the patent in suit, for the invention covered by the patent does not claim the technique or method of closed wound suction . . . . The patent we are concerned with contains apparatus, not method claims.

In the case at bar, as in *Quest, supra,* plaintiffs' patent concerns apparatus and not method claims, and therefore the Barron Article does not affect its validity. In any event, this Court is satisfied that the plaintiffs have demonstrated the required "reasonable diligence" in developing

their device from 12 August 1959 until its eventual reduction into practice. See *Texas Co.* v. *Globe Oil & Refining Co.,* 112 F.Supp. 455, 482 (N.D.Ill. 1953). The testimony has shown that subsequent to August of 1959 until Hemovac was commercially produced, there was no time that the inventors stopped working (Snyder Tr. 198-200).

Inventorship:

The defendants next assert that plaintiffs' patent should be declared invalid under 35 U.S.C. § 102(f) because they allege that Dr. Mueller originated the idea of a separate spring in a resilient wound suction pump, and Dr. McElvenny appropriated that idea from him. Therefore, the contention is that the patentees are not the original or true inventors of the patented article.

The Court notes with regard to this issue that there is substantial conflict of testimony in the record and in the briefs as submitted by counsel. Defendants question the honesty and integrity of Dr. McElvenny, particularly in his dealings with Dr. Mueller, and emphasize the falsity of Dr. McElvenny's oath to the Patent Office. Also, defendants strongly urge that the evidence shows that Dr. Mueller made significant contributions to the design of Hemovac. Plaintiffs, on the other hand, deny any questionable conduct on the part of Dr. McElvenny in his association with Dr. Mueller, and emphatically state that although Dr. McElvenny may have obtained the impetus for his work from Dr. Mueller, he did not wrongfully misappropriate the idea of Hemovac from Dr. Mueller. Furthermore, plaintiffs contend that Dr. McElvenny never obtained any specific structure or apparatus from Dr. Mueller in relation to Hemovac.

The Court perceives in resolving the question of inventorship that it must rely exclusively upon the testimony as it appears in the record and the statements made in the

numerous depositions. Admittedly, the evidence on this issue is conflicting. However, the granting of letters patent raises a prime facie presumption not only that the patent itself is valid, but that the named persons are inventors of the patented device as well, and the burden is on the defendant to show otherwise by "strong, clear, and convincing evidence". 35 U.S.C. § 282; *Porter-Cable Machine Co.* v. *Black and Decker Mfg. Co.*, 274 F.Supp. 905, 913 (D.C. Md. 1967); aff'd 402 F.2d 517 (4th Cir. 1968); *Ever-Wear, Inc.* v. *Wieboldt Stores, Inc.*, 427 F.2d 373, 375 (7th Cir. 1970); *Dart Industries, Inc.* v. *E. I. DuPont DeNemours & Co.*, 348 F.Supp. 1338, 1355 (N.D.Ill. 1972). The question for the Court to determine, then, is whether defendants have, in fact, satisfied their burden of proof with respect to the inventorship of Hemovac.

In support of their position that Dr. McElvenny was not the true inventor of Hemovac, defendants rely on the testimony of Dr. Michael P. Mandarino (Tr. 1033), Mr. John Markham Ahern (Tr. 1241), and Mr. Jerome Joss (Tr. 1215-1216), which, taken together, indicates that on several occasions Dr. McElvenny allegedly admitted that he had gotten the idea of Hemovac from Dr. Mueller. Defendants also refer the Court to the testimony of Mr. George Baxter (Tr. 1139) who indicated that he was skeptical of Dr. McElvenny's veracity. Contrasted with the above, however, is the letter of Mr. John Chalakani, (PX-19-G, page 2), in which he wrote that it was Dr. Robert T. McElvenny who had developed the Surgivac evacuator, and the interoffice memorandum of Mr. John H. Bregert (PX-19-K) in which he wrote that the Snyder Hemovac was the "brain child" of Dr. McElvenny.

Plaintiffs in their Post-Trial Brief in Reply on the Issue of Validity (pp. 45-48) attempt to discredit the testimony of Dr. Mandarino in that they allege that he is interested in an outcome of this litigation that is adverse to plaintiffs because, among other things, he was elected

to the Board of Directors of the reactivated Richey Company, the company which defendants claim is entitled to the assignment of Gregory Sullivan's one-third title interest in the patent that is the subject matter of this law suit. Further, in their brief, plaintiffs question the validity of George Baxter's testimony by pointing out that such testimony was based solely on certain statements that were made to him by Dr. Mueller and upon that alone, and not upon any other information communicated to him.

After careful consideration of the conflicting evidence above, and after examination of the pertinent correspondence in relation to the issue of the inventorship of the Hemovac, this Court finds, on the weight of the credible evidence, that defendants have not produced the "strong, clear, and convincing evidence" that is required to overcome the presumption that the patentees were the true inventors of the subject matter of the patent. See *Porter-Cable, supra.* Although the Court notes, in all candor, that the issue is not clear, the fact that defendants have not met their burden is, in the opinion of the Court, fatal to their claim of the invalidity of plaintiffs' patent under 35 U.S.C. § 102(f).

Equity/Unclean Hands:

Defendants contend, finally, that plaintiffs' patent is unenforceable because of plaintiffs' fraud and misconduct, particularly with reference to Dr. McElvenny's alleged inequitable misappropriation of Gregory Sullivan's one-third title interest in the patent from the Richey Manufacturing Company before the company went bankrupt. The conflict centers around the fact that much of Sullivan's work on the evacuator was allegedly done during the period of his employment at Richey and at Richey's considerable expense. Defendants argue that since it was one of Gregory Sullivan's duties while an employee of the

Richey Company to "dream up new surgical equipment for the medical field" (Sullivan Tr. 854), he had the consequent duty and obligation to assign his one-third title interest in the resulting invention to his employer. The failure to do so, defendants maintain, has done violence to the basic equitable principles that underlie the entire patent system and makes plaintiffs guilty of unclean hands.

In addition, it is argued by defendants that Dr. McElvenny consciously misled and deceived Mr. Alfred H. Greening, the Richey Company's bankruptcy trustee, as to the value and probable commercial success of the evacuator, thus influencing him to abandon the evacuator as a Richey Company asset. Such concealment and deception, defendants maintain, is further evidence that the patent in suit springs from a history of inequity and unclean hands and amply demonstrates that patentees have acted in so reprehensible a fashion as to deny them the equitable remedies they are seeking from this Court.

The plaintiffs rebut the defendants' equity defenses by maintaining, first of all, that Gregory Sullivan was under no duty or obligation to assign his interest to the Richey Company. In support of this, plaintiffs allege that there was no fraud perpetrated on Richey because the Richey Company Board of Directors was fully informed that Sullivan was, in fact, one of the inventors of the patent in suit. Furthermore, it is argued that since Sullivan was not expressly required by the employment contract to assign any invention that he might make while on the job to his employer, he was not impliedly required to do so.

With respect to the bankruptcy trustee, plaintiffs contend that Mr. Greening was not misled by Dr. McElvenny, but it was his own lack of dilegence in acquiring information about the evacuator from McElvenny and other possible sources which resulted in his abandoning the evacuator as an asset of the Richey Company. Plaintiffs maintain that no fraud whatsoever was involved in the McElvenny/Greening relationship and that, therefore, there was no misconduct on the part of Dr. McElvenny which could possibly give rise to defendants' argument of unclean hands.

Finally, plaintiffs make the argument that, in any event, defendants cannot properly inject themselves into a private controversy relating to the matter of private title which exists between plaintiffs and the bankruptcy trustee or between plaintiffs and the reactivated Richey Company. Therefore, plaintiffs conclude that defendants cannot rely on the alleged rights of either of those litigants to further their own cause whether the defense is viewed as alleged lack of title or alleged unenforceability because of unclean hands.

The basic equitable principle underlying the United States patent system as set down by the Supreme Court is that patent monopolies must spring from backgrounds free from fraud or other inequitable conduct. *Precision Co.* v. *Automotive Co.*, 324 U.S. 806, 816 (1945). It has long been recognized that any patent obtained through fraud and dishonest dealings is unenforceable in a court of equity. *Seismograph Service Corp.* v. *Offshore Raydist*, 135 F.Supp. 342, 354 (E.D.La. 1955). However, equity is always reluctant to work a forfeiture of the patentee's property in the absence of unconscionable or morally reprehensible conduct. A patent will not be rendered unenforceable in equity against an alleged infringer absent fraudulent, intentional, and willful conduct on the part of the patentee or his assignee. *Tractor Supply Co.* v. *International Harvester Company*, 155 U.S.P.Q. 420, 433 (N.D. Ill. 1967). In the case at bar, defendants have alleged that the patent in suit was procured by fraud and numerous dishonest dealings. Once again, of course, defendants

have the burden of proving that the patentees acted fraudulently by clear and convincing evidence in order to overcome the patent's presumed validity. *Monsanto Company* v. *Rohm & Haas Company,* footnote 14, 456 F.2d 592, 601 (3rd Cir. 1972); *United States* v. *Marifarms, Inc.,* 345 F.Supp. 858, 862 (D.C.Del. 1972).

Turning immediately to the question of Gregory Sullivan's alleged obligation to assign his title interest in the patent to the Richey Company, the Court notes that it has been said that courts are reluctant to imply or infer an agreement by an employee to assign his patent to his employer due to the particular nature of the act of invention in the absence of an express agreement to assign. However, one who is employed to make an invention and who succeeds, during his term of service, in accomplishing that task is bound to assign to his employer any patent obtained. This applies though, only if the employee's invention is the precise subject of the contract of employment, and he has produced only that which he was employed to invent. *United States* v. *Dubilier Condenser* Corp., 289 U.S. 178, 187-188 (1933); *Standard Parts Co.* v. *Peck,* 264 U.S. 52, 59 (1924). No assignment of the patent to the employer is required in a situation where an employee, who is not assigned the specific task of inventing, makes an invention, even though the invention relates to the employee's field of employment and the employer's time and resources are utilized in making the invention. This is especially so where the employee, on his own time and outside of his regular working hours, engages in activities to refine and improve his device. *Melin* v. *United States,* 478 F.2d 1210, 1213 (Ct.Cl. 1973).

The Seventh Circuit Court of Appeals has held that where a person was employed as an "idea man" to devise new uses for paperboard or paperstock, and in a situation where he was authorized to patent at his employer's expense any inventions and improvements he might make in

the paperboard field, any inventions made and patents acquired by him relating to paperboard during his term of employment belonged to his employer, and he was required to assign any such inventions and patents thereon to his employer. *Belanger* v. *Alton Box Board Co.,* 180 F.2d 87, 88 (7th Cir. 1950). On the other hand, if the employment is general, and it covers a field of labor and effort in the performance of which an employee conceives an invention for which he obtains a patent, the contract is not so broadly construed as to require an assignment of the patent. *Dubilier, supra,* 289 U.S. at 187; *Hapgood* v. *Hewitt,* 119 U.S. 226 (1886); *Dalzell* v. *Dueber Manufacturing Co.,* 149 U.S. 315 (1893).

It cannot be questioned, in determining whether Gregory Sullivan was obligated to assign his interest in the patent to the Richey Company, that the terms and conditions of his employment and the understanding of those terms and conditions by the parties are of utmost importance. Since there is not a plethora of testimony as to this issue in the record, however, the determination becomes primarily a matter of law.

This Court, in evaluating the above and other legal precedents with respect to the assignment issue, notes that there is a common element present. That is, in order for an employee's invention to be assignable to his employer, the employee must be employed to develop a "specific" process or product for his employer. *Muenzer* v. *W. F. & John Barnes Co.,* 133 N.E.2d 312, 318-319 (1956). The employee must be employed to accomplish a "specific" task, or to solve a "specific" problem within the scope of his general employment. *Dubilier, supra,* 289 U.S. at 187; *Belanger, supra,* 180 F.2d at 93; *United States* v. *Houghton,* 20 F.2d 434, 437 (D.C.Md. 1927); aff'd 23 F.2d 386 (4th Cir. 1928). Furthermore, the employee must be engaged to devote his time to developing a (meaning specific) device. *Lion Mfg. Corporation* v. *Chicago Flexible Shaft*

Co., 106 F.2d 930, 933-934 (7th Cir. 1939). Again, the employee must be hired to invent the "precise subject" of the contract of employment; namely, to produce that "specific thing" which he was employed to invent. *Standard Parts, supra,* 264 U.S. at 59. Stated otherwise, it appears to still be the rule that a contract of general employment to develop ideas in a certain field will not serve to expand the terms of the employment contract so as to make a specific invention developed by an employee assignable to his employer unless, of course, the terms of the employment contract expressly so provide, *Dubilier, supra,* 289 U.S. at 187-188, and such is the clear and unambiguous intention of the parties to the contract. *Standard Parts, supra,* 264 U.S. at 53.

With the above in mind, although Richey's employment of Gregory Sullivan to "dream up new surgical equipment for the medical field" relates to inventing in the broad sense, the Court sees such employment as being general in nature. The employment was not for the stated purpose of developing a "specific" or "particular" product within the medical field, or to do a task in relation to a certain device, as was the case in all of the above-cited authorities. Gregory Sullivan was not under a contract to make a "particular" invention or solve a "particular" problem for the Richey Company. His prescribed duty was merely to use his inventive or creative ability generally within the vast boundaries of the entire medical field in relation to the development of surgical equipment. In this regard, the Court notes that there was testimony to the effect that Gregory Sullivan did not understand at any time that he was obligated in any way to assign inventions to the Richey Company. (Snyder Tr. 148.) Thus, even though Sullivan's employment by Richey related generally to invention in the medical field, the evidence indicates that it was not the intention of the parties that Sullivan should assign any inventions or patents to Richey during his term of employ-

ment. In fact, not until after the contract was entered into and, in particular, not until the prosecution of this law suit, did the question even arise as to the assignment of any patentable inventions that Sullivan might have made while an employee of the Richey Company. See generally *Standard Parts, supra,* 264 U.S. at 53. Furthermore, the evidence is clouded as to whether Sullivan's work in developing the patent was entirely at Richey's expense and whether Sullivan actually used Richey's facilities and equipment. Most notable here is the testimony to the effect that Sullivan did his development work "in his work shop . . . in town" (Compare Tr. 1510), and that he worked nights "at home" testing materials for Dr. McElvenny (Snyder Tr. 1801). In such circumstances, the Court holds that it is less compelling to require that any resulting invention and patent thereon be assigned to the employer. *Melin, supra,* 478 F.2d at 1213.

Accordingly, this Court finds that since the employment agreement then existing between Sullivan and Richey was a general agreement to develop ideas in the medical field, and more importantly, since the parties did not appear to expressly or clearly contemplate the assignment of any patentable invention that Gregory Sullivan might obtain from his performing the work for which he was employed, and since there is evidence that Gregory Sullivan did some developmental work on his own time using his own laboratory facilities and equipment, he was not, under the circumstances, required to assign his one-third interest in the patent to the Richey Manufacturing Company as claimed by defendants. If the Richey Company had any interest at all in any product that Sullivan might develop, that interest, according to the intention of the parties, was a right to distribute the product (PX-18-0), thus leaving the manufacturing rights to the Snyder Manufacturing Company (Snyder Tr. 144), and preserving the title interest in Gregory Sullivan.

Therefore, the Court now holds that defendants' equity defense based on Gregory Sullivan's failure to assign his patent interest to the Richey Company must fail because, taking into account Sullivan's understanding that he was not obligated to assign any invention or patent thereon along with the other circumstances of his employment heretofore discussed, defendants have neglected to show by the necessary clear and convincing evidence that his conduct ascended to that level of unconscionability or bad faith which is required in equity to render the patent in suit unenforceable.

Likewise, the Court finds that defendants have not met their burden of proving that Dr. McElvenny fradulently misled and deceived Mr. Greening, the Richey bankruptcy trustee, with respect to the abandonment of the evacuator. In the Court's opinion, because of the sketchy testimony in the record, defendants have not shown by clear and convincing evidence that Dr. McElvenny acted in so reprehensible a fashion as to warrant a determination that the patent in suit be declared unenforceable. It may well be true that not enough information about the evacuator was communicated to Greening by McElvenny. But this, in itself, is not sufficient, in the opinion of this Court, to sustain defendants' allegation of fraudulent concealment especially where Greening had the opportunity to obtain more information regarding the "hemotoma pump" from other easily accessible sources, and more importantly, where the record does not clearly disclose whether McElvenny's conduct in this regard was intentionally and willfully designed to deceive Mr. Greening. The record is not entirely clear, moreover, whether the "hemotoma pump" which McElvenny mentioned to Greening in September of 1960 was a prototype model which had, in fact, been abandoned or whether it was the device that was to become a highly successful commercial reality. It

should not be forgotten in this regard that plaintiffs did experiment with and disregard many prototype devices before the Hemovac evolved into its final form. It is quite likely that Dr. McElvenny was referring to one of these earlier prototype models when he mentioned the abandonment of the hemotoma pump to Mr. Greening. The evidence is just not all that clear. Finally, if the only interest which Richey had in the patented article was a shop-right as contended by plaintiffs, then that interest would not qualify as an asset of the Company to be scheduled by the bankruptcy trustee since such an interest does not involve a conveyance of title. *Dubilier, supra,* 289 U.S. at 188-189.

In conclusion and with regard to the awarding of attorney fees, the Court notes that such an award may be made to the prevailing party in a so-called "exceptional case". 35 U.S.C. § 285. An exceptional case is one which contemplates such unfair and reckless conduct on the part of the losing party as to make it unconscionable for the prevailing party to sustain the expense of counsel. *Q-Panel Company* v. *Newfield,* 482 F.2d 210, 211 (10th Cir. 1973). The Court observes, however, that the present case is not an appropriate one in which to award attorney fees to either party, and therefore holds accordingly.

Counsel for the plaintiffs are hereby invited to submit proposed findings of fact and conclusions of law in conformity with this opinion.

ROBERT A. GRANT
District Judge

Enter: March 15, 1974

Plaintiffs' Proposed Findings of Fact, Proposed Conclusions of Law, and Proposed Judgment Order.

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF INDIANA
SOUTH BEND DIVISION

Civil Action
No. 69 S 194

MERCANTILE NATIONAL BANK OF CHICAGO, HAROLD I. SNYDER, SNYDER MANUFACTURING COMPANY, INC., ZIMMER MANUFACTURING COMPANY,

Plaintiffs,

vs.

HOWMET CORPORATION, HOWMEDICA, INC., and WAYNE PHARMACAL SUPPLY COMPANY, INC.,

Defendants.

PROPOSED FINDINGS OF FACT

The Parties

1. Plaintiff Mercantile National Bank of Chicago is trustee of Robert T. McElvenny deceased, one of the patentees named in United States Letters Patent No. 3,115,138, the patent in suit, and is a co-owner of the legal title to said patent. During his lifetime, Robert T. McElvenny became assignee of the interest of Gregory B. Sullivan, another of the patentees, now also deceased.

2. Plaintiff Harold I. Snyder is a citizen of the United States and a resident of Dover, Ohio, is another patentee

named in United States Letters Patent No. 3,115,138, and is a co-owner of the legal title to said patent.

3. Plaintiff Snyder Manufacturing Co., Inc., is a corporation organized and existing under the laws of the State of Ohio, has its offices and principal place of business at New Philadelphia, Ohio, and is the exclusive licensee under United States Letters Patent No. 3,115,138.

4. Plaintiff Zimmer Manufacturing Co. is a corporation organized and existing under the laws of the State of Indiana, has its offices and principal place of business at Warsaw, Indiana, and has exclusive sales rights to devices as set forth and claimed in United States Letters Patent No. 3,115,138 by virtue of a grant from Snyder Manufacturing Co., Inc.

5. Defendant Howmet Corporation (successor) is a corporation organized and existing under the laws of the State of Delaware and has its principal office and place of business at New York, New York. Defendant Howmedica, Inc., is a corporation of the State of Delaware; and Defendants Howmet Corporation (successor) and Howmedica, Inc., were substituted for Howmet Corporation (original).

6. Defendant Wayne Pharmacal Supply Co., Inc., is a corporation organized and existing under the laws of the State of Indiana and has a regular and established office and place of business at South Bend, Indiana, within this District and Division.

7. United States Letters Patent No. 3,115,138 duly and legally issued on December 24, 1963; and Plaintiffs are entitled to bring this action for its infringement.

8. Plaintiff Snyder Manufacturing Co., Inc., manufactures and Plaintiff Zimmer Manufacturing Co. sells a surgical evacuator, embodying the invention of United States Letters Patent No. 3,115,138, under the trademark "Hemovac"; and the proper statutory patent notice has been placed on the surgical evacuators so manufactured and sold.

9. This Court has jurisdiction over the parties and the subject matter of Plaintiff's [sic] Complaint. Venue in this judicial District and Division is proper.

10. The patent in suit has been before this Court previously in *Mercantile National Bank of Chicago, et al.* v. *Quest, Inc., et al.*, 303 F. Supp. 926 (N. D. Ind., 1969); aff'd. 431 F. 2d 261 (7th Cir., 1970).

Background of the Invention

11. Closed wound suction is a surgical technique in which negative pressure (suction) is applied to a surgical wound that has been closed to the atmosphere by such means as sutures. A hollow tube is used as the suction connection communicating from the wound to a vaccum source. Closed wound suction has important advantages over other wound drainage techniques, such as gravity drainage and pressure dressings (compression bandages).

12. Before the invention of the patent in suit, closed wound suction was practiced by means of (1) an electric or other power-driven vacuum pump, (2) a central suction system, or (3) an evacuated bottle. Each of these systems has disadvantages. Absent portability in the suction device, the physical activity of the patient is restricted and post-operative exercise, ambulation and rehabilitation are delayed.

13. In 1959, Plaintiffs' decedent, Dr. Robert T. McElvenny, an orthopedic surgeon, took up the challenge of providing a continuously operable, self-acting, closed wound suction device for ambulatory human use, and worked on this project with Mr. Gregory Sullivan and with Mr. Harold I. Snyder. At that time, there were no known closed wound suction devices which were reliable, and at the same time self-contained, portable and both independently and continuously operable.

14. Dr. McElvenny discussed the subject of closed wound suction on several occasions with a Swiss orthopedic surgeon named Maurice Mueller. The first meeting between the two occurred in May of 1959 in Chicago while Dr. Mueller was touring the United States. During his stay in the United States in the late spring of 1959, Dr. Mueller did not discuss the subject of closed wound suction with anyone until after he visited Dr. McElvenny. In September of that same year, Dr. McElvenny and Gregory Sullivan visited Dr. Mueller in Switzerland.

15. After conducting numerous experiments using plastic squeeze bottles, Dr. McElvenny and his coinventors incorporated a spring into their device to accomplish continuous wound suction. This device evolved into, and such experimentation culminated in, the patented "Hemovac" unit.

Infringement

16. Claims 4, 5 and 7 through 14 inclusive of Plaintiffs' patent in suit read directly and verbatim on the Defendants' accused "Porto-Vac" units.

17. Claim 4 of the patent in suit states that the essence of the patented device is a "self-contained, independently operable evacuator for the extraction of body fluids, for ambulatory human use . . . comprising in combination, a container formed of flexible material . . . having a pair of oppositely facing end walls and a connecting side wall . . . for movement of the end walls . . . toward each other . . . said container being resiliently compressible . . . and . . . expansible". Defendants' accused devices are identical in their purpose and structure.

18. Patent Claim 5 calls for the use of "flexible tubing" which has "a multiplicity of juxtaposed openings for insertion into [a] body wound". Defendants' accused structures employ the exact same use of flexible tubing.

19. Patent Claim 7 calls for a "strap fastening means" by which the container is to be secured to the human body for purposes of ambulation. Defendants' devices employ a similar fastening mechanism for the like purpose of facilitating the ambulation of the patient.

20. Patent Claim 8 calls for a "closure means" for the exhaust opening on the container. Defendants' "Porto-Vac" units are equipped with a like device.

21. Patent Claims 9 through 14, respectively, recite the use of a valve plug and strap, a needle sharpened at one end for the purpose of entering the body, and a conduit of flexible tubing with a Y-shaped connector for the accommodation of different size tubing and for the interfitting of single and multiple tubing "reaches". Defendants' "Porto-Vac" devices present a mirror structure of these claims.

22. Defendants' "Porto-Vac" devices are identical in means, operation, and structure with the infringing "Bel-O-Pak" units in the *Quest* case *supra,* and with the patented "Hemovac" evacuator.

23. Claims 3 and 6 are infringed by the accused devices, under the doctrine of equivalents, because the accused devices include therein the equivalent of a spring as required by these latter claims. It is the "spring effect" in the accused devices and in the patented device which accomplishes wound suction, and that is the important factor.

24. While Defendants' accused "Porto-Vac" devices differ somewhat in form from the device shown in the drawings of the patent in suit, the accused devices do the same work and accomplish the same result in substantially the same way as the device disclosed and claimed in the patent and there is a real identity of means, operation, structure and result.

25. Defendants' accused "Auste-Vac" units are the full equivalents of Defendants' "Porto-Vac" devices insofar as concerns infringement of Claims 3 through 14 of the patent in suit.

26. Defendants' accused "Porto-Vac" and "Auste-Vac" devices are unlike the prior art Barron Squeeze Bottle. The end walls of the Barron Squeeze Bottle are not arranged for movement toward each other to effect resilient compression of the container.

Willful and Wanton

27. Beginning in August of 1962, Defendant Howmet Corporation, through its predecessor Austenal, became the

foreign distributor for the "Hemovac" device (designated "Surgivac" for foreign sales). In January of 1963, Austenal began to consider the prospect of developing its own wound suction pump, which was to rely on the resiliency of the walls of the container for its spring effect rather than on a spring assembly. This decision of Austenal to develop its own unit was not communicated to Plaintiff Snyder or to Dr. McElvenny. Furthermore, while Austenal was distributing "Surgivac" units in Europe, it received advertising material and marketing information from Plaintiff Snyder Manufacturing Company. Also, Austenal knew that the McElvenny et al patent application was pending when it was engaged in the development of its units.

28. On December 24, 1963, the McElvenny et al Patent No. 3,115,138 here in suit was issued by the United States Patent Office. When this occurred, Austenal sought the advice of its patent counsel as to whether the McElvenny et al patent was valid and infringed by the "Auste-Vac" product then under development. Upon counsel's opinion to Austenal that its product would not constitute an infringement upon the McElvenny et al patent, Austenal continued its work on "Auste-Vac" until it appeared on the market for the first time in 1965.

29. Plaintiffs formally notified Defendants of infringement on November 21, 1969, by filing this action for infringement of their patent.

30. Because Defendants had a reasonable belief that their structure would not infringe Plaintiffs' patent, Plaintiffs have not met their burden of showing that Defendants' conduct was willful and wanton which is required for the recovery of multiple damages.

Prior Art, Anticipation, and Obviousness

31. A British surgeon, John Barron, used a plastic squeeze bottle for closed wound suction in England and wrote an article about his work in a periodical which was published September 10, 1959.

32. Plaintiffs' patentees, in their experimentation phase, rejected the use of plastic squeeze bottles which had many of the same physical, operative and structural characteristics and deficiencies as the Barron Squeeze Bottle. Plaintiffs' patented device is a definite improvement upon and advancement over the Barron Squeeze Bottle. The Barron Squeeze Bottle work did not anticipate the invention of the patent in suit.

33. The differences between the claimed subject matter and the prior art Barron Squeeze Bottle would not have been obvious to a personal of ordinary skill in the art of medical appliances in the period of 1959-60 when the invention covered by U. S. Patent No. 3,115,138 was made.

34. The invention disclosed and claimed in Patent No. 3,115,138 made a valuable contribution to medical science and to the benefit of mankind in that it provided the first self-contained, reliable, continuously acting, lightweight, surgical evacuator device that could be economically manufactured and presterilized; and thus, it put the technique of closed wound suction into general use.

35. The patient in suit does not claim the technique or method of closed wound suction but rather relates to apparatus. The Barron Article does not affect its validity.

36. Plaintiffs' patentees conceived the invention of the patent in suit at least as early as August 12, 1959, and

were thereafter reasonably diligent in developing it until its eventual reduction to practice. From August 1959 until the patented "Hemovac" device was commercially produced, there was no time that the inventors stopped working.

37. The prior patents relied on by Defendants were either considered by the Patent Office or were no better than the patents which were considered by the Patent Office. None renders obvious the invention of the patent in suit.

38. The testimony of Plaintiffs' expert witness was more persuasive and provides more than a preponderance of the evidence on each of the issues. Defendants' live expert testimony about the prior art and its applicability to the validity of Plaintiffs' patent claims was the result of hindsight observation and speculation, and is not convincing.

Inventorship

39. The patentees named in U. S. Patent No. 3,115,138 are the true, original inventors of the invention described and claimed therein. Patentee Dr. Robert McElvenny did not derive his contributions to the invention from Dr. Mueller or from any one else.

40. The most that can be said for Defendants' Mueller defense is that Patentee McElvenny may have been inspired in the "Hemovac" development work by his contacts with Dr. Mueller.

41. There is confusion and contradiction in the deposition testimony regarding possible admissions by Dr. McElvenny to the effect that he had gotten the idea of "Hemovac" from Dr. Mueller. Contemporaneous writings

by Defendants' employees Begert and Chalakani, who were well acquainted with both Dr. Mueller and Dr. McElvenny, on the other hand, clearly attribute the "Hemovac' to Dr. McElvenny. The Court resolves the conflicting evidence in favor of Plaintiffs.

Title and Enforceability

42. Patentee Gregory Sullivan was an employee of the Richey Manufacturing Company during the development of the patented "Hemovac" wound exacuator. He was under an oral contract of general employment without any intent or understanding, express or implied, that he was obligated in any way to assign inventions or patents to the Richey company. He was not employed to develop or invent a specific or particular product in the medical field.

43. Gregory Sullivan did developmental work on the "Hemovac" evacuator on his own time using his own facilities.

44. Gregory Sullivan was under no contractual duty, express or implied, to assign his interest in the patent in suit to the Richey Manufacturing Company. Neither were the other inventors.

45. It was the intention of the parties that the Richey Manufacturing Company was to have a right to distribute the "Hemovac" wound evacuator or "hematoma pump" This right was not an asset of the company, and scheduling of it in the bankruptcy of the company was not required.

46. The information transmitted by Dr. McElvenny to the bankruptcy trustee Greening was not incomplete so as to amount to fraudulent concealment, especially since

Greening had ample opportunities to obtain information from other easily accessible sources.

47. The Defendants have not met their burden of proof on the issues of unenforceability.

48. However, this is not an "exceptional case" so as to require the award of attorneys' fees to Plaintiffs.

PROPOSED CONCLUSIONS OF LAW

1. This Court has jurisdiction over the parties and over the subject matter of this suit. Venue is properly laid in this District and Division.

2. Plaintiffs have title to United States Letters Patent No. 3,115,138 and are the owners of all rights thereunder, including the rights to sue for writ of injunction and to recover damages for past infringement.

3. Plaintiffs have maintained their burden of proving the essential facts alleged in the Complaint. The Defendants have not maintained their burden of proving the essential facts of any of their affirmative defenses. The law is with the Plaintiffs and against the Defendants on each of the issues raised by the Complaint and by Defendants' affirmative defenses.

4. A United States Letters Patent regularly issued, is presumed to be valid; and the named patentees are presumed to be the inventors of the patented device.

5. A party who alleges the invalidity of a patent has a heavy burden of establishing such invalidity by clear and convincing evidence.

6. Claims 3 through 14 of Plaintiffs' United States Letters Patent No. 3,115,138 are good and valid in law.

7. The prior art relied upon by the Defendants, including the Barron Squeeze Bottle, does not constitute an anticipation of Plaintiffs' patent claims under 35 U.S.C. 102.

8. The prior art relied upon by the Defendants, including the Barron Squeeze Bottle, does not render Plaintiffs' claims invalid for obviousness under 35 U.S.C. 103.

9. The patentees of U. S. Patent No. 3,115,138 were reasonably diligent in developing their device from August 12, 1959, until its eventual reduction to practice.

10. Claims 4, 5 and 7 through 14 in suit are infringed by Defendants' accused structures, and are directly readable thereon.

11. Claims 3 and 6 in suit are infringed by the Defendants' accused structures under the doctrine of equivalents.

12. The function and purpose of the patented and accused devices are identical, and equivalent, doing the same work in substantially the same way to accomplish substantially the same result.

13. The burden is on the Defendants to show by strong, clear and convincing evidence that the named patentees are not the true inventors of the patented device.

14. A patent will not be rendered unenforceable in equity against an alleged infringer absent fraudulent, intentional and willful conduct by the patentee or his assignee.

15. In order to overcome the patent's presumed validity, Defendants have the burden of proving by clear and convincing evidence that the patentees acted fraudulently.

16. An employee is not obligated to assign his inventions to his employer unless the terms of the employment contract expressly so provide or unless he was hired specifically to invent a particular device.

17. A "shop right" will not be implied where an employee engages in activities to refine or improve his device on his own time and outside of his regular working hours.

18. A "shop right" is non-transferable and is not a property interest subject to a conveyance.

19. Plaintiff's patent in suit is free of fraud and is enforceable by them against Defendants.

20. Plaintiffs are entitled to an injunction restraining Defendants against further infringement of United States Letters Patent No. 3,115,138 as to Claims 3-14 inclusive.

21. Plaintiffs are entitled to an award of damages for Defendants' infringement of United States Letters Patent No. 3,115,138, together with interest and costs. Plaintiffs are entitled to an accounting by this Court to determine these amounts, and the cause should be continued as to the accounting issues pursuant to Rule 42 of the Federal Rules of Civil Procedure.

22. The Court finds against the Plaintiffs on the issue of treble damages for willful infringement, under 35 U.S.C. 284.

23. The Defendants' affirmative defenses are without merit.

24. Every finding of fact deemed a conclusion of law is hereby adopted as a conclusion of law.

Proposed Judgment Order

This cause having come on to be heard on Plaintiffs' Complaint, and on Defendants' Answer, and the Court having heard the testimony of the witnesses for the respective parties in open court and having examined the depositions made of record, the exhibits received in evidence, and the briefs of the respective parties, and the Court having filed its Memorandum of Decision on March 15, 1974, and on this day the Court's Findings of Fact and Conclusions of Law within the meaning of Rule 52 of the Federal Rules of Civil Procedure,

It is hereby ordered, adjudged and decreed as follows:

1. The Court has jurisdiction of the parties and of the subject matter of this action.

2. Venue is properly laid in this District and Division.

3. Plaintiffs Mercantile National Bank of Chicago and Harold I. Snyder are the owners of United States Letters Patent No. 3,115,138 and all rights thereunder, including the right to sue for a writ of injunction and to recover damages for past infringement; and Plaintiff Snyder Manufacturing Company, Inc., is the exclusive licensee under said patent.

4. Judgment on the Complaint is entered for the Plaintiffs.

5. United States Letters Patent No. 3,115,138 as to Claims 3 through 14 inclusive, is in all respects valid and subsisting in law.

6. Defendants have infringed Claims 3 through 14 of Plaintiffs' patent by making and selling closed wound suction devices embodying the inventions of said claims.

7. Ten days after entry of this Judgment Order, a Writ of Perpetual Injunction shall issue out of and under the seal of this Court directed to the Defendants, and to each of their officers, agents, employees, servants, and attorneys, and to all persons under their control or in privity with them, permanently restraining them, and each of them, from directly or indirectly making, using or selling, causing to be made, used or sold or offering to make, use or sell closed wound suction devices embodying the inventions of any of the Claims 3 through 14 of the United States Letters Patent No. 3,115,138 and from infringing upon, inducing or contributing to the infringement of any of said claims during the term of said patent.

8. An accounting shall be made and rendered as to the extent of the manufacture and sale of infringing devices by the Defendants, and as to the amount of damages suffered by the Plaintiffs by reason of the Defendants' infringement of Claims 3 through 14 of United States Letters Patent No. 3,115,138.

9. The said Defendants and their officers, directors, attorneys, servants, agents, workmen and employees are hereby directed and required to attend before this Court, or a Special Master appointed by the Court, from time to time as required and to produce such relevant devices,

objects, books, documents and papers as requested and to submit to examination, oral or otherwise.

10. The Plaintiffs shall recover their damages, together with interest, and costs, as determined by the Court with respect to the issues raised by the Defendants' challenge to the validity of Claims 3 through 14 of United States Letters Patent No. 3,115,138 and by the Defendants' infringement of said claims.

Respectfully submitted,

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Statute Involved

35 U.S.C. § 103

Conditions for patentability; non-obvious subject matter

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Supreme Court, U. S.
FILED
FEB 12 1976
MICHAEL RODAK, JR., CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1975

No. 75-1007

HOWMET CORPORATION, HOWMEDICA, INC., and WAYNE PHARMACAL SUPPLY CO., INC.,

Petitioners,

vs.

MERCANTILE NATIONAL BANK OF CHICAGO, HAROLD I. SNYDER, SNYDER MANUFACTURING CO., INC., and ZIMMER MANUFACTURING COMPANY,

Respondents.

BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

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LIST OF AUTHORITIES CITED

Graham v. John Deere Co., 383 U.S. 1 (1966) 4, 5

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GENERAL STATEMENT

Petitioners present their Petition to this Court, from concurring decisions by the United States District Court for the Northern District of Indiana, South Bend Division, and the United States Court of Appeals for the Seventh Circuit, finding McElvenny et al Patent No. 3,-115,138 to be valid and infringed. The Memorandum and Opinion, Findings of Fact and Conclusions of Law,

by the Trial Court, and the Opinion of the Court of Appeals, are all set forth in the Appendix to the Petition.

The said McElvenny et al Patent No. 3,115,138 has previously been held valid and infringed by the same Courts in earlier published decisions,* as to which Certiorari was denied by This Court.**

REVISED STATEMENT OF FACTS

Petitioners, in the section of their Petition designated "Background" (pages 5-6), make several statements, as fact, which are unsupported by the Record and which are contrary to specific findings by the Courts below, upon the Record in the case.

First, Petitioners say, as to the Barron Squeeze Bottle, that it was "reasonably dependable" (page 5), whereas the Trial Court specifically found (Finding 32, A. 45)*** that the Plaintiff-Patentees rejected the use of plastic squeeze bottles which had many of the same physical, operative and structural characteristics and deficiencies as the Barron Squeeze Bottle. On review, the Court of Appeals found, upon the evidence, that (A. 5):

* *Mercantile National Bank of Chicago, et al v. Quest, Inc., et al*, 303 F. Supp. 926 (N.D. Ind., 1969); aff'd. 431 F. 2d, 261 (C.A. 7, 1970).

** 401 U.S. 956 (1971).

*** Appendix to the Petition.

> "At most, the record shows that Barron bottles or similar devices were used by some surgeons who now appear to have abandoned them."

Petitioners also say (page 6), as to patentee Gregory Sullivan, that he was "hired to invent" whereas the Trial Court specifically found (Finding 42, A. 47) that Sullivan was not employed to develop or invent a specific or particular product in the medical field; that he did developmental work on the "Hemovac" evacuator on his own time using his own facilities (Finding 43, A. 47); and that he was under no contractual duty, express or implied, to assign his interest in the patent in suit to the Richey Manufacturing Company (Finding 44, A. 47).

Petitioners go on (page 6) to refer to a "series of nefarious acts", without factual support for the assertion made. They also boldfacedly state that there was a "secreting" of Richey's rights and "ignor[illegible]" on the part of the bankruptcy trustee; whereas the Trial Court specifically found that the information transmitted to the bankruptcy trustee was not incomplete so as to amount to fraudulent concealment, and that the trustee had ample opportunities to obtain information from easily accessible sources (Finding 46, A. 47-A. 48).

It is submitted that Petitioners should not assert, as fact, that which is not supported by the Record, and which is contrary to findings made by the Trial Court.

REASONS WHY THE WRIT SHOULD BE DENIED

The Petition Presents No Question Of The Type Contemplated By Court Rule 19

The Petition herein presents no matter of national concern and no matter of dominant concern to either the general law or the patent law. Neither has any conflict between the Circuits been shown. The matter is simply that Petitioners are dissatisfied with the concurring decisions of the Courts below and the Petition seeks a further review.

The Contention That The Mandates of *Graham v. John Deere Co.* Were Not Followed, Is Unfounded

The answer to Petitioners' Questions I and II (Petition, page 2) is that the mandates of this Court in *Graham v. John Deere Co.** were in fact followed both by the Trial Court and the Court of Appeals.

The Trial Court specifically considered all of the prior art brought to its attention by Petitioners, and in particular the Barron Squeeze Bottle.

Upon analysis of the various considerations referred to by this Court in *Graham v. John Deere*, the Trial Court specifically found (Finding 33, A. 45):

> "33. The differences between the claimed subject matter and the prior art Barron Squeeze Bottle would not have been obvious to a person of ordinary skill in the art of medical appliances in the period of 1959-1960 when the invention covered by U. S. Patent No. 3,115,138 was made."

* 383 U.S. 1 (1966).

In addition to the Barron Squeeze Bottle, Petitioners perfunctorily relied upon certain additional prior art patents and publications, most of which were of record in the previous *Quest* case. The Trial Court also considered these, and determined as follows (Finding 37, A. 46):

> "37. The prior patents relied on by Defendants were either considered by the Patent Office or were no better than the patents which were considered by the Patent Office. None renders obvious the invention of the patent in suit."

The Court of Appeals considered the Barron Bottle at some length. That Court reviewed its structure, and the differences relative to the claimed structure of the patent in suit (A. 2-A. 3). The Court of Appeals concluded, as did the District Court, that, in view of the structural deficiencies of Barron, the claimed subject matter of the patent in suit was not obvious (A. 4-A. 5). It is no criticism of the Court's decision that the Court recognized and considered the similarities between the Barron Bottle and the Dakin syringe which had been extensively considered as prior art in the previous *Quest* case.*

Before the Court of Appeals, Petitioners argued, as here, that the Trial Court had not followed the mandates of *Graham v. John Deere Co., supra*; and the Court of Appeals decided that such contention was without merit (A. 5-A. 6).

* Similarities which Appellants' (Petitioners') counsel in fact conceded at oral argument.

No Error Was Committed Either By The Trial Court Or By The Court Of Appeals, As To Petitioners' Unfounded Contentions Of Unclean Hands.

Question III (page 2) of the Petition attacks the findings by the Courts below regarding Petitioners' unfounded contentions of unclean hands.

Before the Trial Court, Petitioners contended that the patentees were guilty of unclean hands, by reason of certain alleged relationships between the patentees and Richey Manufacturing Company, and its bankruptcy trustee. Respondents urged that the contentions made were unfounded, and that they were in any event not a proper legal defense to the Plaintiffs' action for patent infringement.

The Trial Court elected to consider the matters urged, upon their merits, and specifically found that Gregory Sullivan was not employed to develop or invent a specific or particular product in the medical field (Finding 42, A. 47); that Gregory Sullivan did developmental work on the "Hemovac" evacuator on his own time using his own facilities (Finding 43, A. 47); that Gregory Sullivan, and the other inventors, were under no contractual duty, express or implied, to assign their interest in the patent in suit to the Richey Manufacturing Company (Finding 44, A. 47); and that any distribution rights or rights to sell which Richey might have had were not an "asset" of the company and scheduling in the bankruptcy of the company was not required (Finding 45, A. 47).

The Court of Appeals agreed with Respondents as to their threshold position, viz., that the matters urged by Petitioners relating to an alleged third party equitable ownership interest in the patent was not a proper defense in a patent infringement suit. The Court of

Appeals' decision cites ample authority (A. 6, A. 7) and clearly delineates Petitioners' contentions from a defense of unclean hands in relations with the Petitioners, or a defense of fraud or other impropriety in the procurement of a patent, or other matter of public interest.

Thus, the decisions below on the question of unclean hands find against Petitioners on two counts, namely, upon the merits in the Trial Court, and in the Court of Appeals upon the ground that the matters urged do not, in any event, constitute a proper defense in a patent infringement action. Petitioners' Question III presents no issue necessary or appropriate for review.

CONCLUSION

The Petition raises no question necessary or appropriate for review by This Court, or requiring remand to the Court of Appeals. Therefore, it is respectfully requested that the Petition be denied.

Respectfully submitted,

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